

**Notice No.:** 00-003  
**Date:** March 7, 2000  
**Applies to:** DCP Employers  
**Subject:** DCP Reporting Requirements and Employer Training

## **Background**

In response to participant requests to enhance services currently provided by the Deferred Compensation Program (DCP), the Department of Retirement Systems (DRS) has undertaken a project to implement a new record keeping system that will provide more options and greater flexibility. When the project is complete, DCP participants will see the following new services:

- Immediate access to account data via the Internet and an automated voice response phone system.
- Ability for participants to request account transactions and deferral changes electronically.
- Daily valuation services; deferrals will be invested daily instead of only on the 10th and 25th of each month, and requests for transfer of existing balances between funds will be available on a daily basis.
- Expanded investment options; more funds will be available for participants to choose from.
- Easy-to-understand quarterly statements mailed within 10 business days of the end of the quarter.

The new system will offer state-of-the-art electronic methods for participants to accomplish account transactions and deferral changes. Benefits to employers include reduction of forms handling and processing.

When electing to participate in the DCP, employees will continue to sign a DCP Participation Agreement consenting the employer to defer the amount specified into the plan (refer to WAC 415-512-010). DRS will continue to store a copy of the PA for future reference.

To ensure security, future account transactions (e.g., deferral amount changes) will require a participant's social security number and associated Personal Identification Number (PIN) combination.

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When a transaction is requested, the participant will receive a confirmation number that is maintained as a permanent record in their history/activity file. In addition, a confirmation statement will be mailed to the participant within two business days.

## **Reporting Changes**

Currently, all employers receive a copy of the Participation Agreement (PA) form for initial enrollment and deferral changes. Some employers use this form to enter deferral information into their payroll system. After running payroll, employers send DCP information to DRS in two different methods:

- Automated Report, or
- Paper Report (R33).

When the project is complete, employers will no longer receive a copy of the PA for new participant deferrals and deferral changes for existing participants. Employers who currently enter deferral information into their payroll system from the PA form will receive a new participant deferral and deferral changes report. This report will be DRS's official employer notification for new enrollees and for deferral changes.

Employers may continue to use their current reporting method, but should be aware that:

- The record layout for the automated report will change.
- The paper report will be redesigned.

DRS plans to begin collecting DCP information through the agency's existing transmittal process in July 2000 when the new services are made available. The enclosed booklet, entitled *Automated Reporting and Procedural Changes for DCP*, was developed by DRS to help employers who report or wish to report DCP information using an automated method. Make this booklet available to your Information Systems staff and/or the organization responsible for making the necessary changes to your payroll system. The Department of Personnel Human Resource Information Systems Division (DOP/HRISD) and the Center for Information Services will also receive copies of this booklet.

To ensure accurate reporting of DCP information to DRS, employers should update their payroll information systems and business processes based on the information in the booklet. The new reporting requirements must be in place by the first payday in July. Any delay in reporting accurate participant deferral information may result in a delay in investing the deferrals reported which could impact earnings to participants.

## **DRS Employer Handbook**

In March, employers will receive updates to the *DRS Employer Handbook*. Chapter Eight of the handbook will include the DCP reporting requirements detailed in the enclosed booklet. In June, DRS will distribute additional handbook updates that will include the redesigned DCP paper transmittal report.

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## Employer Training

In March, DRS will send training invitations to employers who currently use the PA form to enter DCP deductions into their payroll system. The training will help DCP employers understand the advantages of the new record keeping system and administrative changes. Training is scheduled in April and May 2000, and will cover:

- The New Transmittal Reporting Process.
- How and When to Use The New Forms.
- How DRS will Inform Employers about New Participants and Deferral Changes.
- Roles/Responsibilities of Employers, Participants and DRS.

DRS is working directly with DOP/HRISD to implement the changes to the state's central payroll system. Consequently, State agency payroll officers do not need to attend the DRS training workshops.

### Questions?

If you have questions regarding the information in this Notice, please contact Employer Support Services at (360) 664-7200, or call our toll free line, 1-800-547-6657.

This Notice can be accessed on the DRS Web site at  
<http://www.wa.gov/DRS/employer/drsn/index.htm>

John F. Charles  
Director

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## 2000 DRS Notices

For a copy of a Notice, call (360) 664-7170 or 1-800-547-6657, or  
access on the DRS Web site at <http://www.wa.gov/DRS/employer>

Available Notices are posted below:

Notice	Subject
00-001	<b>PERS, LEOFF, WSPRS and JRS Employers</b> Members' Annual Statements and Sequencing Information
00-002	<b>SERS Employers</b> Reporting Requirements and Education Activities
00-003	<b>DCP Employers</b> Reporting Requirements and Employer Training